

EXHIBIT J

JetBlue/American Northeast Alliance

Overview of MGIA Presentation to the Antitrust Division

July 21, 2020

jetBlue

American Airlines 

Confidential Treatment Requested

PLAINTIFFS EXHIBIT
PX0450
1:21-CV-11558

DOJ-NEA-00002014

Transaction Summary

JetBlue and American entering into a series of agreements to enable NYC/BOS growth and increased competitiveness:

- **Northeast Alliance Agreement (NEA):** Umbrella agreement, including
 - Network/schedule optimization
 - Joint access across slot portfolio
 - Incremental revenue sharing
- **Mutual Growth Incentive Agreement (MGIA):** Incentivize optimization and expansion to increase consumer benefits
 - No pricing coordination; each carrier retains pricing independence
- **Codeshare Agreement**
 - JetBlue code on AA routes that touch JFK, LGA, EWR, and BOS
 - AA code on JetBlue routes that touch same airports, excluding transatlantic
- **Frequent Flyer Program (FFP) Agreement**
- **Potential follow-on agreements, such as Lounge Access Agreement**
- **JetBlue is not joining oneworld (or the AA/IAG JBA)**

MGIA Preserves Incentives To Compete/Grow

- Like any output-expanding venture, JetBlue and American share risks and rewards of network growth in accordance with their respective contributions
- To incentivize capacity expansion, parties have entered MGIA to share in incremental NEA revenue in proportion to capacity contributed
- The MGIA is designed to make each carrier indifferent as to which carrier an incremental passenger flies
- Parties expect roughly 50/50 split based on initial Alliance capacity
- **Pricing remains independent**

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(c)

MGIA Agreement Overview

NEA Route Scope:

- All AA domestic and international flying operated out of JFK, LGA, EWR, and BOS
- B6 domestic and non-transatlantic international flying operated out of JFK, LGA, EWR and BOS
 - Excludes any B6 European flying

NEA Net Revenue:

- Net Revenue is sum of all revenues minus all included expenses, across all routes in the NEA

Revenues	Expenses
1) Passenger Revenue 2) Fuel and Security Surcharges 3) Net Frequent Flyer Revenue 4) Passenger Fees and Charges 5) AD-ID and Non-Commercial Revenue	1) Credit Card Fees 2) Travel Agency Commissions and Incentives 3) GDS Fees

Net revenue is essentially passenger-related revenues less selling expenses

MGIA Mechanics

- Each carrier's **Net Revenue** is contributed to a Total Net Revenue Pool, from which each carrier recovers:
 - 1) Its "base" amount of revenue based on the capacity it operates, adjusted for current capacity, and

$$\text{Base Revenue} = \frac{\text{Baseline Year Revenue}}{\text{Baseline Year Capacity}} \times \text{Current Year Capacity}$$

- 2) Its share of "incremental revenue," which is the additional revenue (or loss) after Base Revenue is subtracted from the Total Net Revenue Pool

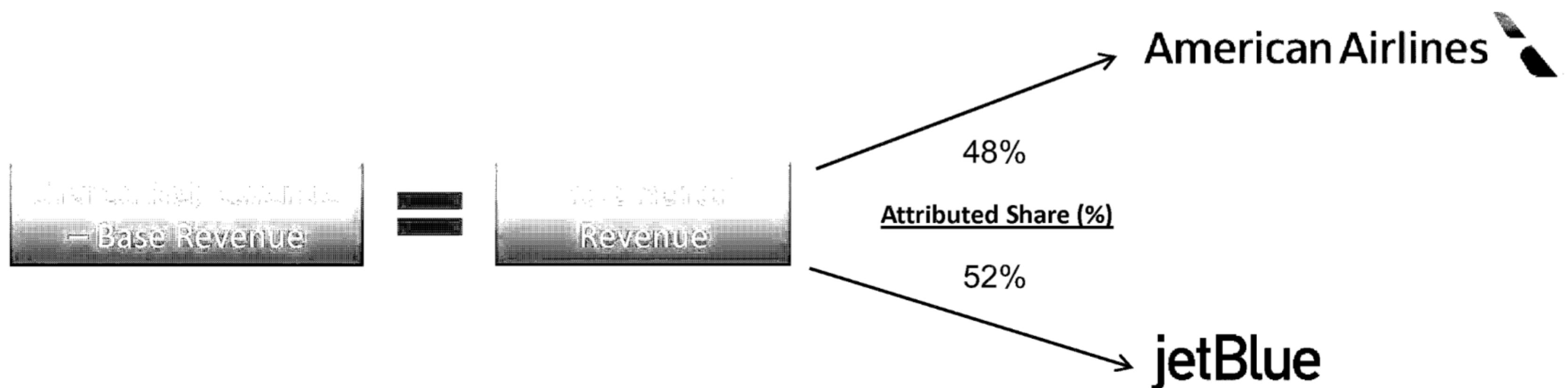
$$\text{Incremental Revenue} = \text{Total Net Revenue Pool} - \text{Base Revenue}$$

- Excluding each carrier's Base Revenue from the Incremental Revenue calculation controls for each carrier's "pre-Alliance" position
- Sharing incremental revenue ensures that risks and rewards of network growth post-Alliance are split between the carriers

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Alliance Shares Incremental Revenue Proportionally

- Incremental Revenue is split between the carriers based on “Attributed Share”
- Attributed Share = Each carrier’s share of current period capacity (in ESMs)
- If joint unit revenue increases, all carriers share proportionally in the benefit; if joint unit revenue decreases, all carriers share proportionally in the deficit
- Alliance redistributes the pooled revenue based on each carrier’s proportional share of total Alliance capacity



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Carriers' Retained Revenue

- A carrier's Retained Revenue for a given time period is equal to its Base Revenue plus its Attributed Share of Incremental Revenue



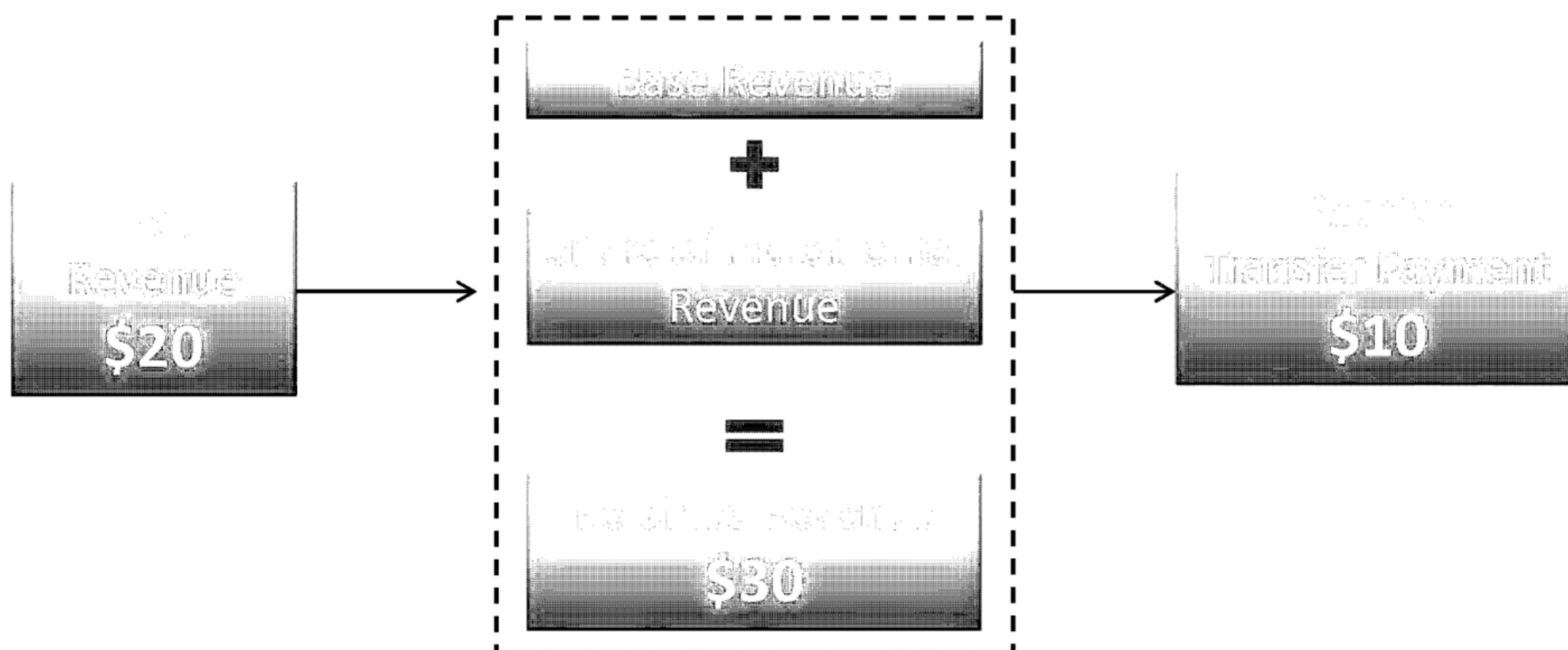
Revenue that carrier
retains each year

Base Unit Revenue x
Current Period ESMs

Attributed Share of
Incremental Revenue x
Attributed Share

Transfer Payments May Be Required

- A transfer payment is required when a carrier's collected Net Revenue is more/less than its calculated Retained Revenue
- True-up/accounting to occur [twice] per year through clean team or other appropriate method



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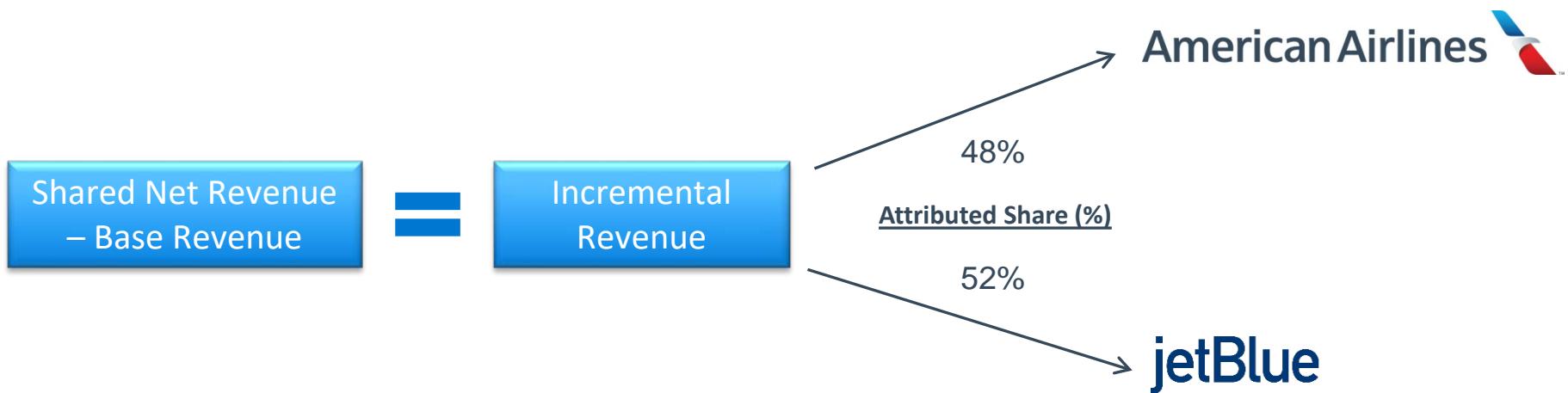
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